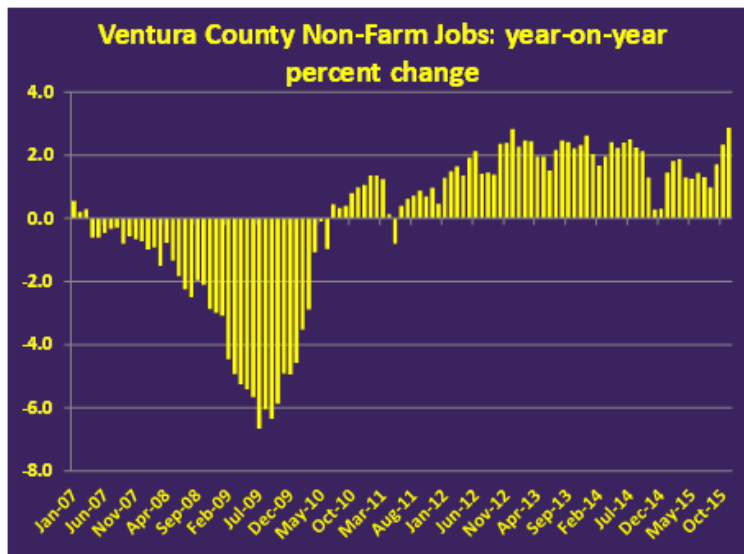


Ventura County 2016

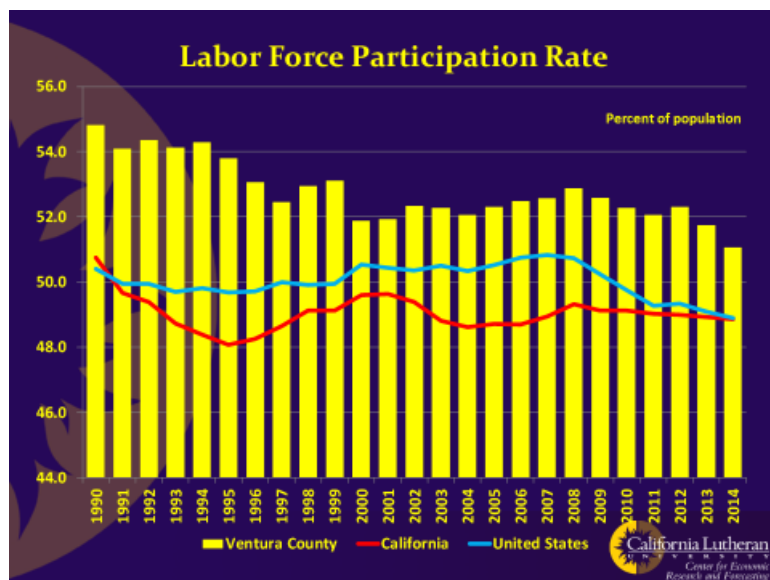
Ventura County's Recovery

After years of extraordinarily slow growth, Ventura County's economy suddenly, and unexpectedly, started generating significant numbers of jobs in 2015's second quarter. One result is that the County has now exceeded its pre-recession job numbers.



Local labor force participation data lag jobs data by quite a while. So, we're unable to see the impact of recent job growth on labor force participation. Still, we have some idea of the trend.

Ventura County is up 5,800 jobs since the pre-recession peak, but the County's population is up by over 38,300 people. That doesn't necessarily mean that the County's Labor Force Participation Rate is down, though. Ventura County's proximity to Los Angeles' huge job market and to a middle-class-starved South Coast of Santa Barbara County, seemingly provides Ventura County residents with abundant opportunities to work outside the County. Ventura County's labor force participation rate almost certainly remains above the labor force participation rates of California and the nation, it has declined significantly, and the difference is narrowing:

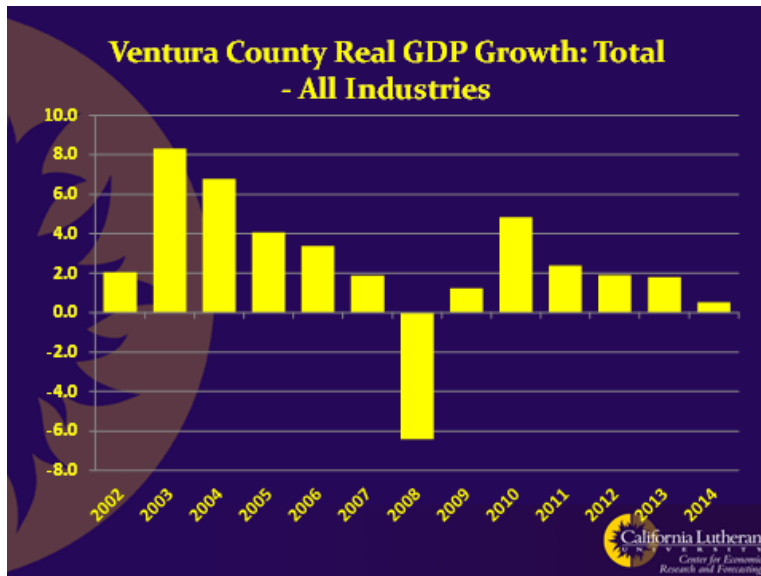


We suspect that many out-of-County jobs, particularly those in Santa Barbara County, just don't pay enough to justify commuting costs. Some employers have recognized this and are supplying transportation. We notice landscape companies, in particular, use vans to transport Ventura County workers to Santa Barbara County's South Coast.

Ventura County's Gross Product recovered faster than jobs. On an inflation-adjusted basis, Ventura County's 2014 Gross Product was about 6 percent greater than its 2007 Gross Product. This represents a seven-year average growth rate a touch higher than California and about three times higher than Los Angeles County, though it lags the United States' average growth rate.

Ventura County's GDP growth premium over California is mainly due to increased activity at the Port of Hueneme and to increased oil and natural gas production. Recent oil price declines put this source of economic growth at risk. We've already seen employment declines resulting from oil's price drop.

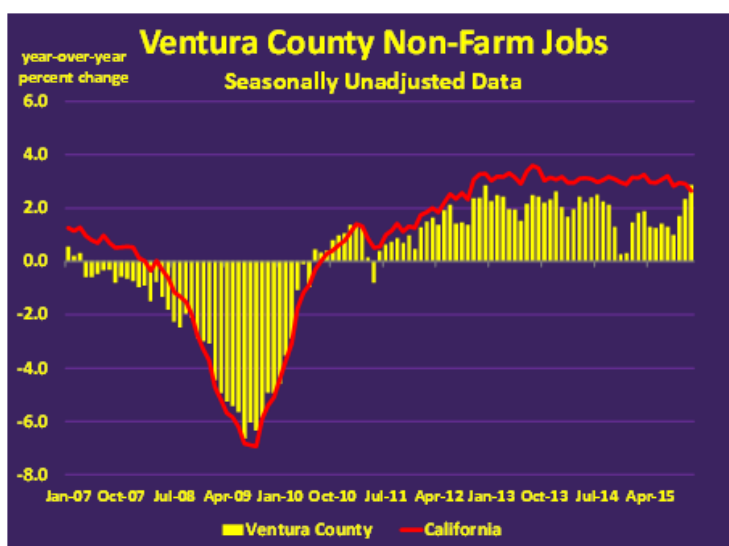
Recent non-jobs data, though, give cause for concern. The County's Gross Domestic Product, released on September 23, shows that the County's economic growth rate slowed significantly in 2014. While 2012 and 2013 growth rates were 1.9 and 1.8 percent respectively, the 2014 growth rate was 0.5 percent. This compares to 2.3 percent for both the United States and Los Angeles Counties. Again, these data lag jobs data, and the jobs data may indicate a regime change to more robust growth.



Much of the GDP growth slowdown was due to a contraction in agriculture. If agriculture had held steady from 2013 to 2014, the County's 2014 growth rate would have been 1.6 percent, a much smaller growth slowdown. Recent jobs data show an apparently non-seasonal recovery in agricultural jobs. This provides additional evidence that recent County GDP growth has accelerated.

Industries and Occupations

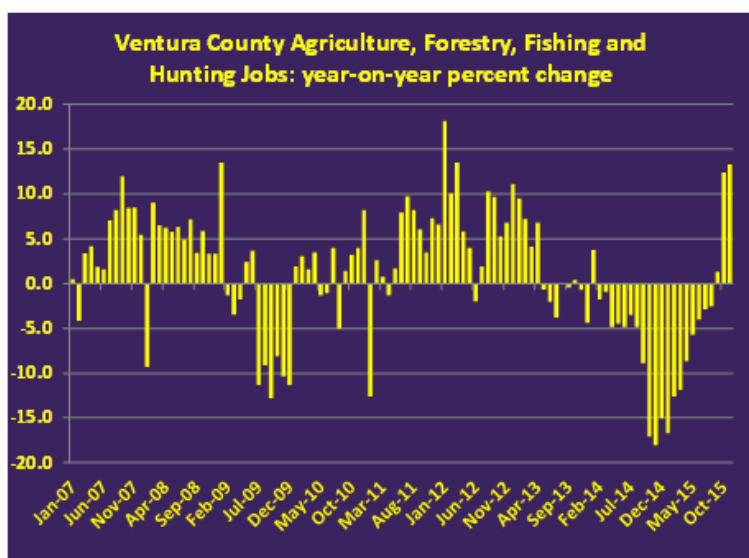
For the first time in several years, Ventura County's job growth has recently met, and slightly exceeded, that of the state. Because of the past few months' job growth, Ventura County jobs are now up 3.6 percent over a year ago (November 2015 to November 2016). This compares favorably to California, which is up 2.6 percent (November 2015 to November 2016).



Until recently, agricultural job growth had been very weak. Over the past two months, though, we've seen job growth in Ventura County's agricultural sector. The reason for the change is probably changing economics of Ventura County agriculture.

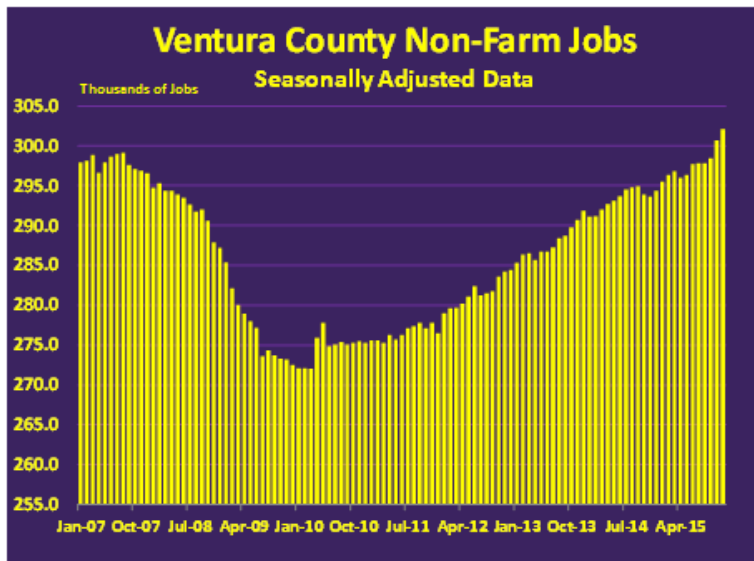
Ventura County's agriculture sector provides a text-book example of how changing relative prices can bring dramatic change to crops. In the 1960s, Ventura County's primary non-orchard crop was lima beans, a land-intensive crop that required relatively little capital or labor. As County land values increased, we saw a change to crops that were more labor intensive, crops such as strawberries.

Now, Ventura County growers are facing a certainty of reduced water supply and forced changes in pesticide and herbicide use. They appear to be meeting these challenges by changing crops, yet another time, or in the case of strawberries, changing how they are grown. They appear to be moving toward increased capital and higher human-capital crops.



Ventura County construction job growth has been volatile. While the number of County construction jobs is up marginally over the past year, it remains down about 25 percent since its pre-recession high. At this point, we have no basis to forecast that Ventura County will ever see its pre-recession number of construction jobs.

After the growth of the past few months, only a few Ventura County sectors are down jobs over the past few years, and those are down only a little. The sectors that are down over the last year include manufacturing, down 800 jobs; natural resources and mining (read oil), down 100 jobs; and retail trade, down 100 jobs.



Particularly strong sectors, those with greater than five percent growth, include agriculture, professional and business services, and leisure and hospitality.

Ventura County's job composition has changed significantly over the recession and the subsequent recovery. The Construction, Manufacturing, and Finance sectors are each down over 10 percent from their pre-recession jobs. Only two sectors, the Leisure and Hospitality sector and the Education and Health Services sector, have gained at least ten percent of pre-recession jobs:

Ventura County's Job Market

not seasonally adjusted data

Nov 2015

Sectors

Thousands

Agriculture	24.7
Natural Resources and Mining	1.2
Construction	14.1
Durable Goods Manufacturing	17.9
Non-Durable Goods Manufacturing	11.6
Wholesale Trade	13.2
Retail Trade	40.6
Transportation, Warehousing, & Utilities	6.6
Information & Technology	5.7
Financial Activities	18.8
Professional and Business Services	39.5
Educational and Health Services	41.8
Leisure and Hospitality	37.8
Personal, Repair, & Maintenance Services	9.9
Government	45.6
Federal Government	7.0
State Government	3.0
Local Government	35.6
Total All Industries	329.0

Changes During the Last Year

Nov 2014 to
Nov 2015

Nov 2014 to
Nov 2015

Change-thousands

Percent change

2.9	13.3
-0.1	-7.7
0.3	2.2
-0.6	-3.2
-0.2	-1.7
0.2	1.5
-0.1	-0.2
0.3	4.8
0.2	3.6
0.3	1.6
4.1	11.6
1.3	3.2
2.5	7.1
0.0	0.0
0.3	0.7
0.0	0.0
0.1	3.4
0.2	0.6
11.4	3.6

Changes Since the Great Recession

Oct 2007 to
Nov 2015

Oct 2007 to
Nov 2015

Change-thousands

Percent change

-0.9	-3.5
0.1	9.1
-4.7	-25.0
-5.7	-24.2
-2.2	-15.9
0.2	1.5
3.2	8.6
0.4	6.5
0.0	0.0
-3.9	-17.2
2.3	6.2
9.2	28.2
5.8	18.1
-0.5	-4.8
2.5	5.8
-0.3	-4.1
0.3	11.1
2.5	7.6
5.8	1.8

Source: CA Employment Development Department

These systematic changes to Ventura County's employment structure do not bode well for the future of a Ventura County middle class. To see why, consider the following table. The right column displays the ratio of a sector's County GDP to the sector's job share. It's a measure of the value of a sector contribution per job. Sectors with a ratio of less than one produce less than their jobs' share of GDP. Sectors with a value greater than one produce more than their jobs' share of GDP. That is, those sectors with high ratios are the most productive and thus provide the opportunity for higher wages:

Ventura County, 2014

<u>Sectors</u>	<u>Jobs (December)</u>	<u>Job Share</u>	<u>GDP</u>	<u>GDP Share</u>	<u>Ratio: GDP share to Jobs share</u>
	<i>jobs</i>	<i>percent share</i>	<i>millions</i>	<i>percent share</i>	
Agriculture	20,300	6.4	1,664	3.5	0.6
Natural Resources and Mining	1,300	0.4	1,546	3.3	8.1
Construction	13,600	4.3	1,351	2.9	0.7
Durable Goods Manufacturing	18,500	5.8	2,456	5.2	0.9
Non-Durable Goods Manufacturing	11,800	3.7	8,168	17.4	4.7
Wholesale Trade	13,000	4.1	2,863	6.1	1.5
Retail Trade	41,300	13.0	2,915	6.2	0.5
Transportation, Warehousing, & Utilities	6,400	2.0	905	1.9	1.0
Information & Technology	5,600	1.8	1,323	2.8	1.6
Financial Activities	18,500	5.8	9,435	20.1	3.5
Professional and Business Services	36,300	11.4	3,811	8.1	0.7
Educational and Health Services	41,200	13.0	2,808	6.0	0.5
Leisure and Hospitality	35,400	11.1	1,348	2.9	0.3
Personal, Repair, & Maintenance Services	9,800	3.1	948	2.0	0.7
Government	44,900	14.1	5,350	11.4	0.8
Total All Industries	317,900		46,892		

Sources: CA Employment Development Department, U.S. Bureau of Economic Analysis

Those sectors losing jobs, with the exception of agriculture, are high-value sectors. By contrast, the two most rapidly growing sectors have the lowest values per job of any sector. Given the high cost of living, this can only result in increased inequality, increased homelessness, and increased crowding in existing homes.

Average salary data by industry confirms the above analysis. Those sectors that are growing tend to be the lower-paying sectors. Accommodation and Food sector salaries are particularly low. While this is one of Ventura County's fastest growing sectors, it seems self-defeating to celebrate that sector's job growth. It can only add to the ranks of the working poor.

Ventura County: Industry Data

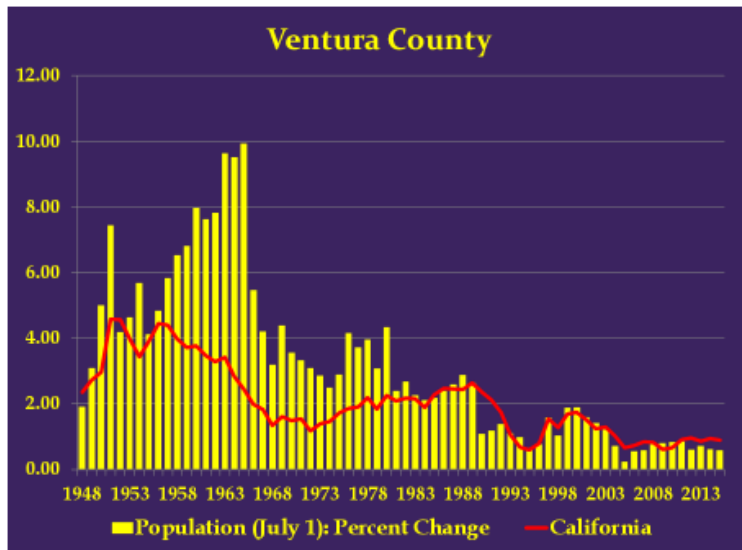
2001 quarter 4 to 2014 quarter 4

	Employment (Jobs)	Average Salary Data (dollars)			
	2014 Q4	2001 Q4	2013 Q4	Change	% Change
AGRICULTURE, FORESTRY, FISHING & HUNTING	25,197	21.3	31.8	10.5	49.1
MINING	1,282	52.7	102.5	49.8	94.5
UTILITIES	1,099	52.3	102.8	50.5	96.6
CONSTRUCTION	13,730	37.7	56.8	19.1	50.7
MANUFACTURING-DURABLE	18,174	59.3	72.1	12.8	21.6
MANUFACTURING-NONDURABLE	12,091	90.1	119.4	29.4	32.6
WHOLESALE TRADE	12,851	46.6	76.8	30.2	65.0
RETAIL TRADE	40,196	26.0	32.2	6.2	23.7
TRANSPORTATION & WAREHOUSING	5,114	33.6	47.0	13.4	39.9
INFORMATION	5,317	57.0	65.8	8.8	15.5
FINANCE & INSURANCE	13,780	53.2	76.6	23.4	43.9
REAL ESTATE & RENTAL & LEASING	4,561	34.5	76.3	41.8	121.3
PROFESSIONAL, SCIENTIFIC, & TECHNICAL SERVICES	16,073	58.3	85.4	27.0	46.3
MANAGEMENT OF COMPANIES AND ENTERPRISES	1,796	40.9	103.0	62.0	151.5
ADMIN & SUPPORT & WASTE MGMT & REMEDIATION	17,218	25.9	43.3	17.4	67.0
EDUCATIONAL SERVICES	5,315	26.0	35.3	9.2	35.5
HEALTH CARE & SOCIAL ASSISTANCE	35,844	41.0	50.3	9.3	22.7
ARTS, ENTERTAINMENT, & RECREATION	5,074	24.4	32.3	7.8	32.1
ACCOMMODATION & FOOD SERVICES	29,665	14.1	18.9	4.8	34.1
PERSONAL, REPAIR, AND MAINTENANCE SERVICES	8,494	21.9	31.7	9.9	45.2
NON-CLASSIFIED	1,509	54.3	56.3	2.0	3.7
FEDERAL GOVT	6,860	56.8	82.0	25.2	44.4
STATE GOVT	1,879	39.6	56.4	16.8	42.5
LOCAL GOVT	34,600	43.0	58.5	15.5	36.0
TOTAL, ALL INDUSTRIES	317,719	40.4	53.3	12.9	24.2
MEDIAN		41.0	57.7		

Source: California Employment Development Department (QCEW data program)

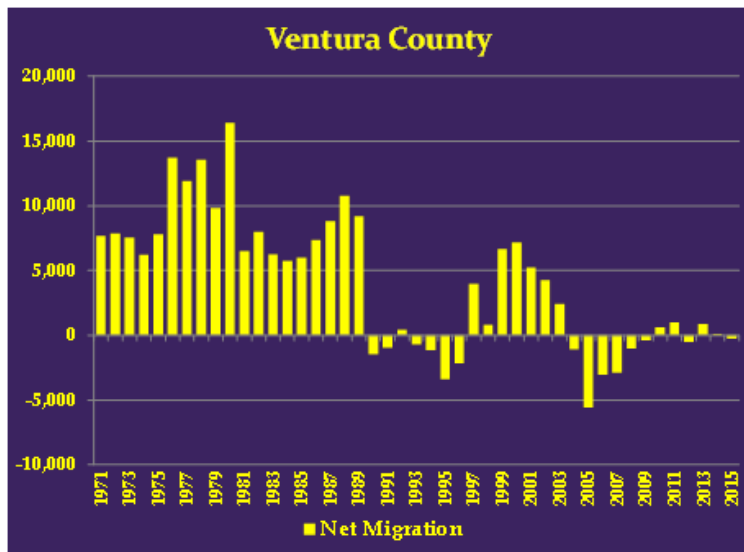
Demographics and Education

After falling far more rapidly than California as a whole, Ventura County's population growth rate appears to have stabilized at a very slow rate not much different than that of California:



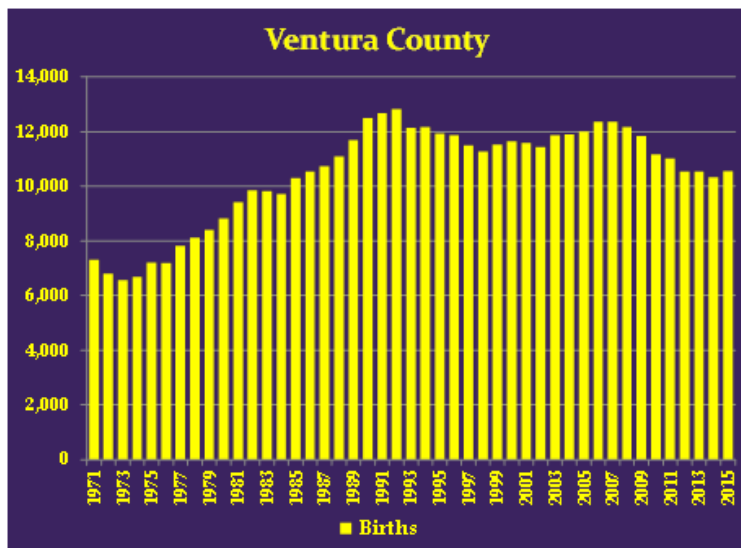
Over the past decade, all of Ventura County's population growth has been what we refer to as "natural increase," births less deaths. In a dramatic reversal from most of Ventura County's

history, the past decade has seen net negative migration. That is, more people are leaving Ventura County than are coming to the county:

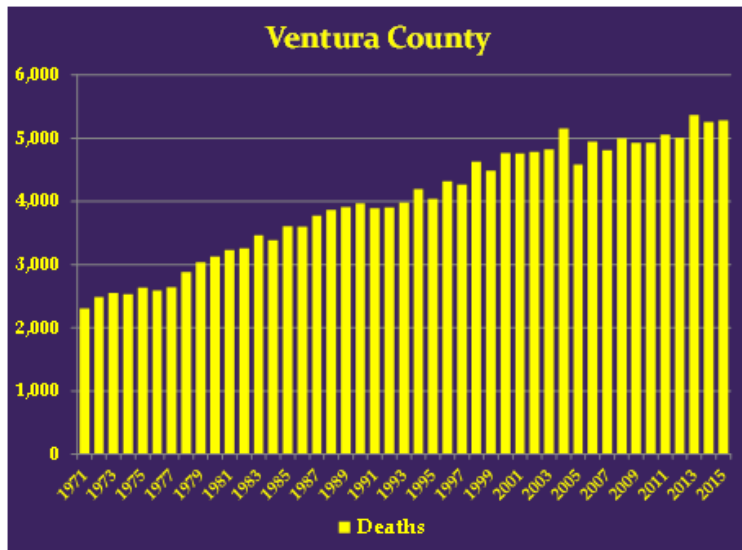


If migration to Ventura County is negative or zero, birth and death rates become important for forecasting the County's population growth rate.

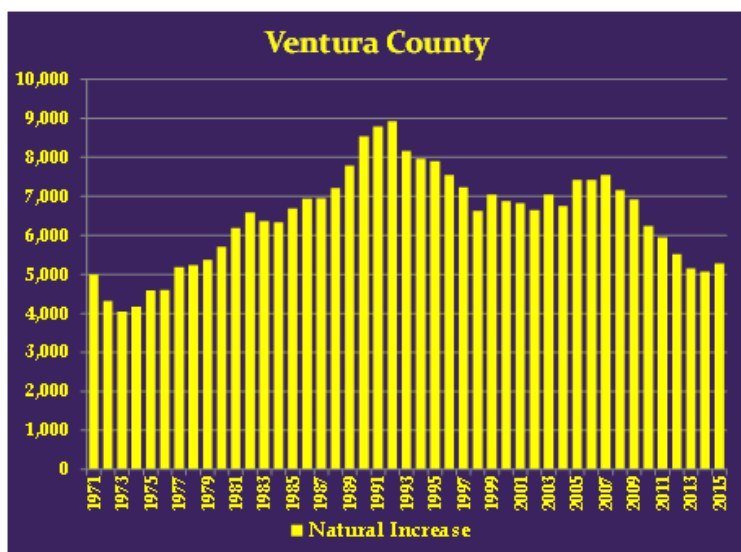
Ventura County births have been declining. Currently, County births are about 2,000 a year fewer than numbers we saw as recently as the mid-2000s. Given the County's population growth, the rapid decline in births represents an even more dramatic decline in birth rates:



At the same time, Ventura County deaths have increased:



Currently, the number of Ventura County births well exceed the number of County deaths. However, the County's natural population increase has slowed rather dramatically. The annual increase is now a bit more than half of the numbers we saw in the late 1980s and early 1990s.



We see no reason to expect increased net migration to Ventura County. The cost of living is high and opportunity is not that robust. We can expect continued zero or negative net migration.

Is there a chance that Ventura County's population actually declines? This would have been an absurd question just a few years ago, but the County's natural growth was just a hair over 5,000 people in 2015. In 2005, the County saw net outmigration of over 5,000 people. We have to conclude that the probability of a declining Ventura County population is significant.

Ventura County residents' educational attainment, the percentage with a high school diploma or a college degree, continues to increase. However the increase has been slower than in California as a whole. In 2005, 1.9 percent more Ventura County residents had high school diplomas than California's. By 2014, the margin had fallen to 1.5 percent. The difference in college degrees is more dramatic. Indeed, it has reversed. The percentage of Ventura County residents with college degrees was higher than California's in 2005. In 2014, a higher percentage of California residents had college degrees than in Ventura County.

The change has been small, and we don't see a problem. It is something to monitor, though.

Education Attainment						
Education Attainment in Persons >25 Years	United States		California		Ventura County	
	HS Diploma	BA or Higher	HS Diploma	BA or Higher	HS Diploma	BA or Higher
2005	84.1%	27.2%	80.1%	29.5%	83.0%	29.8%
2013	86.6%	29.6%	81.7%	31.0%	83.4%	31.2%
2014	86.9%	30.1%	82.1%	31.7%	83.6%	31.6%
Source: U.S. Bureau of Census (ACS 1-year estimates)						

Educational Attainment Detail 2015						
	United States	%	California	%	Ventura County	%
2015 Est. Pop Age 25+ by Edu. Attainment	213,826,860		25,586,988		556,930	
Less than 9th grade	12,581,053	5.9	2,612,169	10.2	54,642	9.8
Some High School, no diploma	17,071,494	8.0	2,172,356	8.5	42,286	7.6
High School Graduate (or GED)	60,102,300	28.1	5,301,306	20.7	102,440	18.4
Some College, no degree	45,505,017	21.3	5,648,154	22.1	134,344	24.1
Associate Degree	16,823,271	7.9	1,999,126	7.8	48,224	8.7
Bachelor's Degree	38,659,483	18.1	4,988,242	19.5	112,442	20.2
Master's Degree	16,265,659	7.6	1,904,337	7.4	43,214	7.8
Professional School Degree	4,158,825	1.9	586,956	2.3	12,337	2.2
Doctorate Degree	2,659,758	1.2	374,342	1.5	7,001	1.3
2015 Est. Pop Age 25+ by Edu. Attain., Hisp./Lat.	31,105,207		8,396,149		200,016	
No High School Diploma	11,333,638	36.4	3,442,567	41.0	83,494	41.7
High School Graduate	8,302,223	26.7	2,041,902	24.3	42,362	21.2
Some College or Associate's Degree	7,235,978	23.3	1,999,704	23.8	50,863	25.4
Bachelor's Degree or Higher	4,233,368	13.6	911,976	10.9	23,297	11.6
Source: Nielsen SiteReports						

Ventura County residents' educational attainment is not a constraint on economic growth. The County has for some time generated more college graduates than jobs for college graduates. In Ventura County, as elsewhere, new college graduates are finding it very difficult to find an appropriate first job.

In our conversations with employers, we find demand for more skills, not more degrees. Math and communication skills are always in demand, but also the skills necessary to work in clean rooms or with hazardous chemicals.

Incomes and Poverty

Nominally, Ventura County's poverty rate is relatively low. However, The Census Bureau's adjustment that results in the Supplemental Poverty Measure, just about doubles California's poverty rates. This is mostly the result of high housing costs. Given Ventura County's very high housing costs, we believe that the Supplemental Poverty Measure's adjustments, if applied to Ventura County, would result in a poverty rate near double the traditional rate. It could very well be 20 percent or higher.

Poverty and Income									
Education Attainment in Persons >25 Years	United States			California			Ventura County		
	People of All Ages in Poverty	Median Household Income	Per Capita Income	People of All Ages in Poverty	Median Household Income	Per Capita Income	People of All Ages in Poverty	Median Household Income	Per Capita Income
2005	13.3%	46,242	25,035	13.3%	53,629	26,800	9.9%	66,859	29,634
2013	15.8%	52,250	28,184	16.8%	60,190	29,513	11.9%	77,363	33,481
2014	15.5%	53,567	28,889	16.4%	61,933	30,441	11.3%	75,449	32,686

Source: U.S. Bureau of Census (ACS 1-year estimates)

Last year, we advanced two poverty-reducing policy recommendations for California:

1. The California Environmental Quality Act (CEQA) was put in place after the 1969 Santa Barbara oil spill. Its purpose was to preserve California's unique and often pristine natural environments, its beaches, its mountains, its deserts, its redwoods, and the like. Unfortunately, it's become an anti-competitive tool. CEQA is often used to stop development in areas that are far from pristine. We need to fix CEQA in a way that preserves its original purpose while eliminating its use as tool to stop or delay competition or economic growth.
2. Far too often well-meaning policies are implemented with little or no analysis of the economic impact of the policy. Often, those regulations have profound economic costs, but do little to impact the original purpose.

AB 32 is such a law. It is costly with little global environmental impact. California is a very carbon-efficient economy. The marginal cost of becoming more efficient is high. Furthermore, California's emissions are relatively insignificant in the scheme of things. If California were to eliminate carbon emissions, global atmospheric carbon would still be higher than prior to California's elimination of emissions, just from the growth in China's emissions. We'd be far better off to tax ourselves and fix inefficient Chinese power plants.

The way to achieve the goals of a policy at minimal economic cost is to perform economic impact analysis of all existing and proposed legislation and regulation, eliminating those that are not economically justifies.

This year, we would add one more:

3. California policy has made the economic impacts of the drought more onerous than they need to be. As we say, droughts are caused by nature, shortages are caused by policy. California's poor and disadvantaged [pay](#) a considerable portion of the costs of the shortage.

Instead of the current regulatory scheme and rationing, California should adopt a [market-based approach](#) to water. This would allow water to be used for its most valuable purposes and would minimize the economic costs of the drought. California's poor would be significant beneficiaries of such policies.

Within the constraints provided by State policy, Ventura County has some ability to impact its economic growth. It is likely, though, that nothing will be done, as there is no political will to accelerate economic growth. Indeed, it's not clear that the political class or its citizens would tolerate significant job growth. We can only imagine the uproar if some company proposed a new manufacturing facility that would employ 1,000 people.

If local governments were serious about increasing opportunity for their citizens, they would first need to allow the construction of a significant number of new housing units. We see no sign that this is likely to happen within the forecast horizon.

Local governments discourage certain types of economic growth. Construction, oil production, and manufacturing are among the discouraged industries. They are also among the highest paid industries.

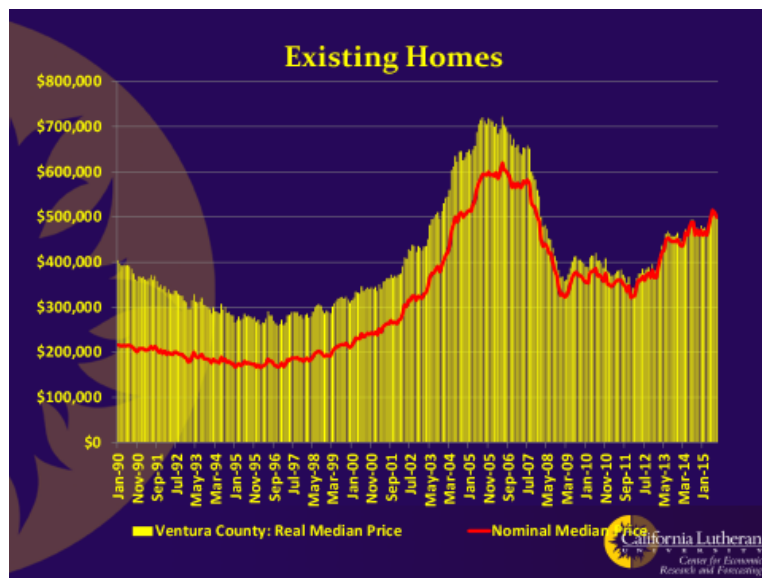
It's difficult to conceive of a policy mix better designed to create poverty than to restrict housing construction and discourage high-wage industries, but that is policy in Ventura County. Given this, it makes no sense to encourage and subsidize low-paying sectors, such are Retail and Leisure and Hospitality. They are encouraged, and often subsidized, though, because they generate tax revenue. A more humane policy would significantly increase taxes on, and end subsidies and encouragement of, low-wage industries.

Income and wealth inequality are popular topics today. Quality-of-life inequality is never mentioned. High and rising home prices combined with limited opportunity serve to increase quality-of-life inequality. Those who can afford to purchase a home and aren't impacted by the limited opportunity resulting from slow growth, live high-quality lives in Ventura County, a place as pleasant as any. Those who can't purchase a home and have limited opportunity live low-quality lives, often struggling with frequent or extended unemployment and financial problems.

In essence high housing costs, a result of policy, amplify income and wealth inequality.

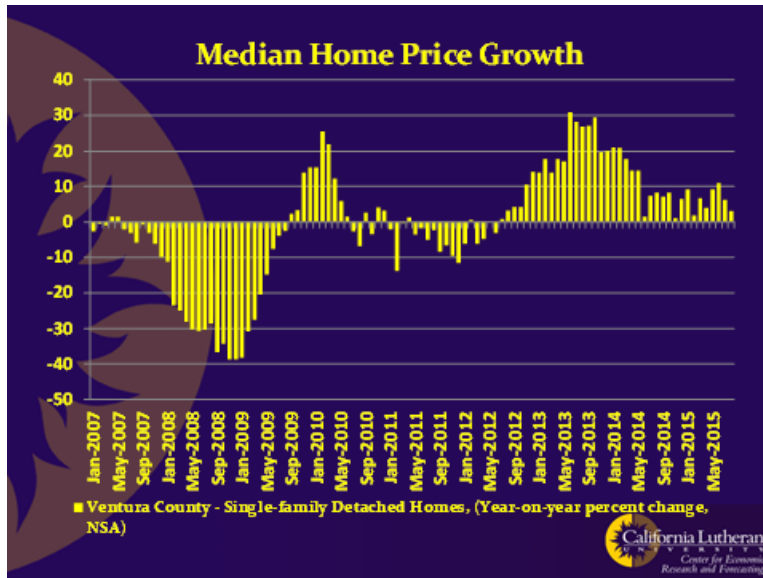
Housing Markets

While remaining below pre-recession levels, Ventura County's median home price continues to climb. Ventura County's median home price growth rate was in double-digits from late 2012 through spring 2014, but it has recently been in the range from zero to ten percent. Thus price levels are currently climbing rather slowly. If recent growth rates continues at recent rates, we can expect the county's real median home price to exceed the pre-recession high in about two years.



Although we don't have anything like the Case-Shiller index for Ventura County, our conversations with realtors and our observation of individual transactions indicate that median home price increase is not entirely compositional. Real prices appear to be increasing for all types of property.

The August 2015 median existing single-family house was \$620,150, 89 percent of the previous high – which was a price level consistent with a bubble. Only 25 percent of the County's households can afford the median priced home, and this is with mortgage rates near historically low levels. This compares with 57 percent nationally and 30 percent in California.



Ventura County's high housing costs imply a high cost of business for establishments in Ventura County, hampering job growth. In order to attract employees, businesses must offer higher wages in high-housing cost regions. This can raise costs for tradable-goods producers relative to their competitors, making them less competitive.

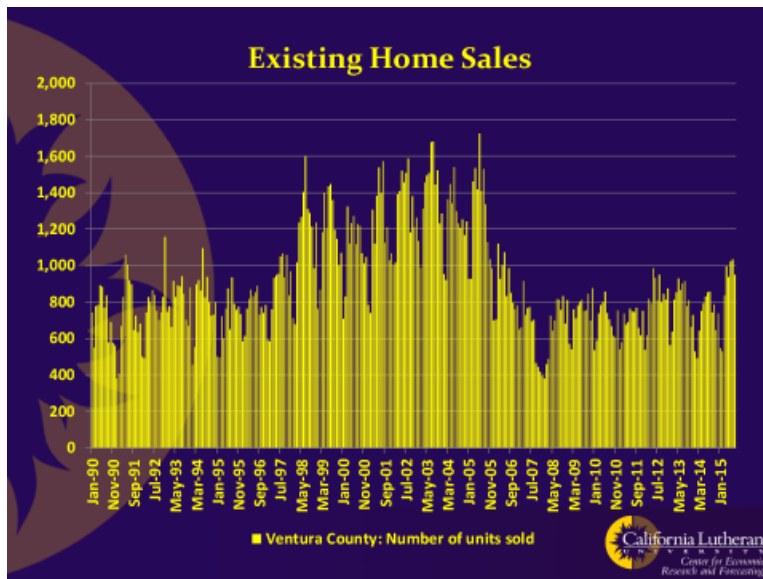
Housing Affordability: 2015 Quarter 2

The percent of first time home buyers who can afford the Median-priced home

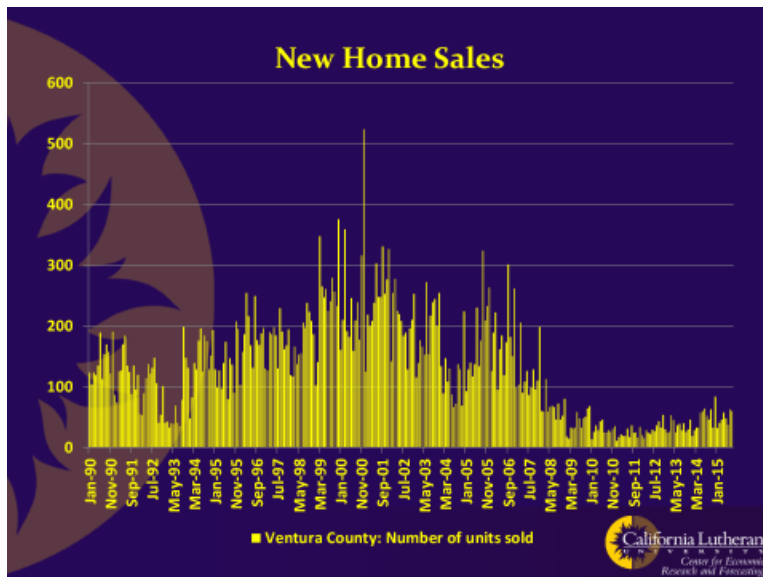
	<u>Type</u>	<u>Affordability (%)</u>	<u>Median Home Price (Feb)</u>
California	<i>single-family</i>	30	\$485,100
California	<i>condo</i>	39	\$388,250
Los Angeles Metro Area	<i>single-family</i>	32	\$440,620
Inland Empire	<i>single-family</i>	46	\$291,730
San Francisco Bay Area	<i>single-family</i>	20	\$841,560
United States	<i>single-family</i>	57	\$229,400
Alameda	<i>single-family</i>	18	\$812,810
Contra Costa	<i>single-family</i>	18	\$836,020
Marin	<i>single-family</i>	17	\$1,169,900
Napa	<i>single-family</i>	23	\$623,970
San Fransisco	<i>single-family</i>	10	\$1,353,450
San Mateo	<i>single-family</i>	13	\$1,300,000
Santa Clara	<i>single-family</i>	19	\$980,000
Solano	<i>single-family</i>	46	\$352,850
Sonoma	<i>single-family</i>	25	\$566,980
Los Angeles	<i>single-family</i>	30	\$445,190
Orange	<i>single-family</i>	21	\$713,220
Riverside	<i>single-family</i>	40	\$334,580
San Bernardino	<i>single-family</i>	56	\$223,830
San Diego	<i>single-family</i>	25	\$547,840
Ventura	<i>single-family</i>	25	\$619,060
Monterey	<i>single-family</i>	27	\$480,000
San Luis Obispo	<i>single-family</i>	28	\$518,550
Santa Barbara	<i>single-family</i>	16	\$741,570
Santa Cruz	<i>single-family</i>	20	\$727,250
Fresno	<i>single-family</i>	50	\$219,030
Kings	<i>single-family</i>	62	\$186,330
Madera	<i>single-family</i>	50	\$216,430
Merced	<i>single-family</i>	55	\$205,060
Placer	<i>single-family</i>	44	\$399,680
Sacramento	<i>single-family</i>	47	\$291,030
Tulare	<i>single-family</i>	54	\$190,740

Source: California Association of Realtors

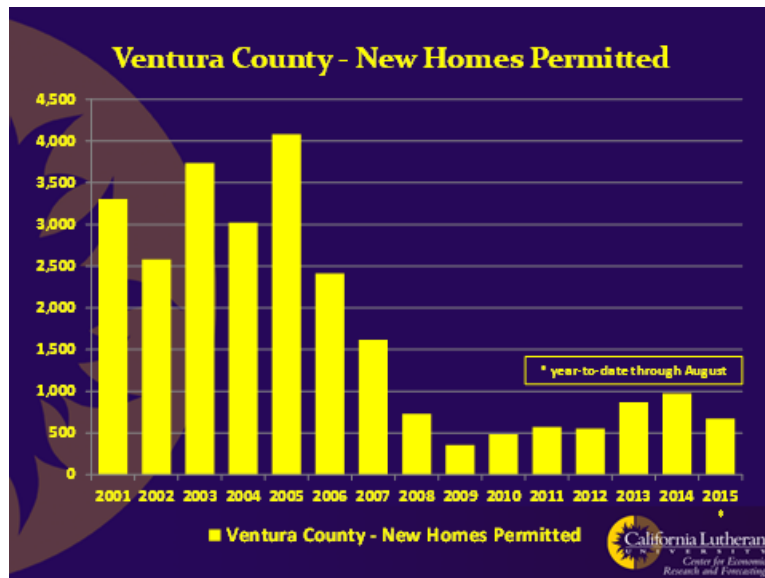
Ventura County's increased home prices have not been accompanied by increased sales. In fact sales remain remarkably low, well below the numbers we observed in the decade preceding the recession:



Similarly, we've not seen a pickup in new home construction, which remains remarkably low:



Ventura County's 2015 new home permits through August were 670 units, compared with 802 during this time in 2014. At this pace, 2015 will end up with about 840 new housing units permitted this year, down from 973 during 2014.



These permit levels are miniscule compared with the typical 2,500 to 3,500 new housing units that were permitted in more “ordinary” years such as 2001 to 2004. Continued population growth with such low levels of new construction will drive continued housing price increases.

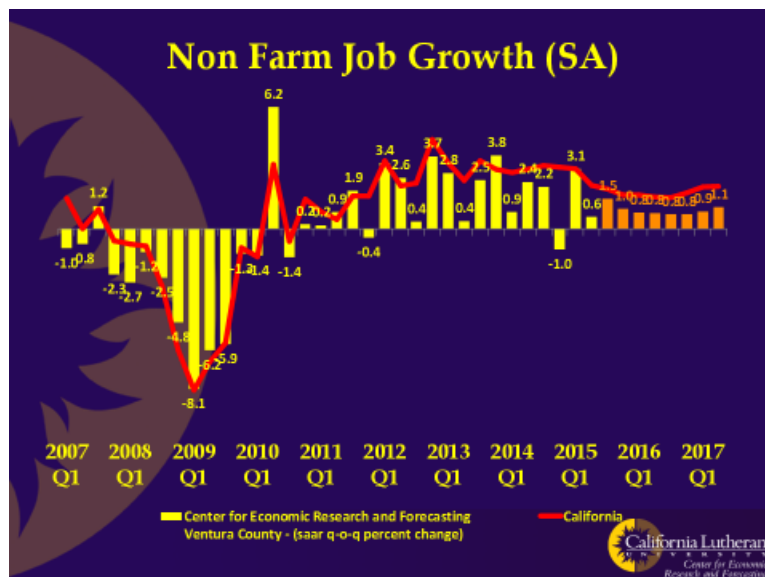
Policy makers don’t seem to understand that an increasing population without new housing creates increased demands on publicly supplied goods and services. Several families squeezed into a single-family residence designed for one family still use the roads, and they still need a place to park cars. They still use water, sewage, gas, and electricity. The crowded conditions probably increase demand for police and fire.

Ventura County’s Forecast

We provide a two-year forecast of Ventura County non-farm job growth and GDP growth. We also provide a ten-year forecast of non-farm jobs along with two alternative scenarios, a pessimistic scenario and an optimistic scenario. The long-term non-farm jobs forecast includes a detailed forecast by occupation.

We hasten to add that current technology does not allow great confidence in long-term forecasts. We are not aware of anyone who ten years ago forecasted both the Great Recession and its subsequent Dismal Recovery.

Our short-term forecast for Ventura County jobs and economic growth is significantly below our forecast of California. Given our low forecast of California, that’s significant:

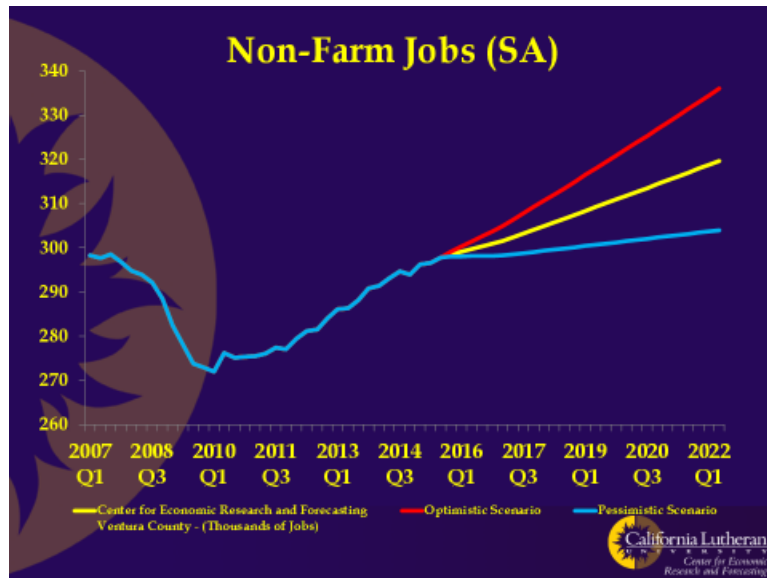


Our long-run forecasts are similarly slow. Our baseline forecast anticipates an average annual growth rate of Ventura County jobs of 1.1 percent. This is about the average for Ventura County since 1990. Our optimistic scenario is very optimistic. It anticipates an average annual Ventura County jobs growth rate of 1.8 percent. Our pessimistic forecast is for only 0.3 percent annual County job growth.

We believe the distribution of scenarios is not symmetric. The pessimistic forecast is more likely than the optimistic forecast.

Ventura County is more likely to see the pessimistic forecast because population growth is slowing, migration is near-zero or negative, housing costs are high, and few new housing units are being constructed.

Perhaps the most salient reason is that Ventura County's political class does not want to see job growth. We see this every time a proposal is made for a significant housing project and we see this with the various SOAR (Save Open Space and Agricultural Resources) initiatives. It is now the case that no significant change in Ventura County is non-controversial. This is not a political environment conducive to rapid employment growth.



Ventura County 10-Year Employment by Occupation Forecast

	<u>2004</u>	<u>2014</u>	<u>2015</u>	<u>2025</u>	<u>2004-14</u>	<u>2015-25</u>	<u>2004-14</u>	<u>2015-25</u>
	<i>no. of jobs</i>	<i>no. of jobs</i>	<i>no. of jobs</i>	<i>no. of jobs</i>	<i>change</i>	<i>change</i>	<i>percent change</i>	<i>percent change</i>
Total: All occupations	294,850	295,980	299,823	334,933	1,130	35,110	0.4	11.7
Management	15,230	16,950	17,171	18,771	1,720	1,600	11.3	9.3
Business and Financial Operations	14,400	16,790	17,158	21,486	2,390	4,328	16.6	25.2
Computer and Mathematical	7,820	6,960	7,066	8,526	-860	1,460	-11.0	20.7
Architecture and Engineering	8,680	7,130	7,087	6,373	-1,550	-715	-17.9	-10.1
Life, Physical, and Social Science	4,950	4,490	4,566	5,359	-460	793	-9.3	17.4
Community and Social Services	2,690	4,110	4,196	4,873	1,420	677	52.8	16.1
Legal	1,730	1,830	1,872	2,109	100	237	5.8	12.7
Education, Training, and Library	17,830	18,190	18,450	20,989	360	2,539	2.0	13.8
Arts, Design, Entertainment, Sports, and Media	3,730	3,210	3,296	3,689	-520	393	-13.9	11.9
Healthcare Practitioners and Technical	9,640	12,830	13,173	16,312	3,190	3,139	33.1	23.8
Healthcare Support	5,950	7,910	8,013	9,961	1,960	1,948	32.9	24.3
Protective Service	6,630	4,310	4,415	5,346	-2,320	931	-35.0	21.1
Food Preparation and Serving-Related	23,970	29,470	29,844	32,472	5,500	2,629	22.9	8.8
Building and Grounds Cleaning and Maintenance	10,350	8,470	8,574	10,263	-1,880	1,689	-18.2	19.7
Personal Care and Service	5,170	9,040	9,146	12,798	3,870	3,652	74.9	39.9
Sales and Related	32,060	34,180	33,876	36,715	2,120	2,839	6.6	8.4
Office and Administrative Support	53,560	46,060	46,662	41,917	-7,500	-4,745	-14.0	-10.2
Farming, Fishing, and Forestry	6,130	6,480	6,351	5,060	350	-1,291	5.7	-20.3
Construction and Extraction	15,010	10,760	11,154	12,900	-4,250	1,746	-28.3	15.7
Installation, Maintenance, and Repair	9,220	10,020	10,503	15,095	800	4,592	8.7	43.7
Production	22,030	18,960	18,845	19,624	-3,070	779	-13.9	4.1
Transportation and Material Moving	18,050	17,830	18,406	24,295	-220	5,889	-1.2	32.0

Date: October 27, 2015

Source: CA-EDD (OES data program) and CERF